Nova Scotia
Department of
Agriculture and Marketing

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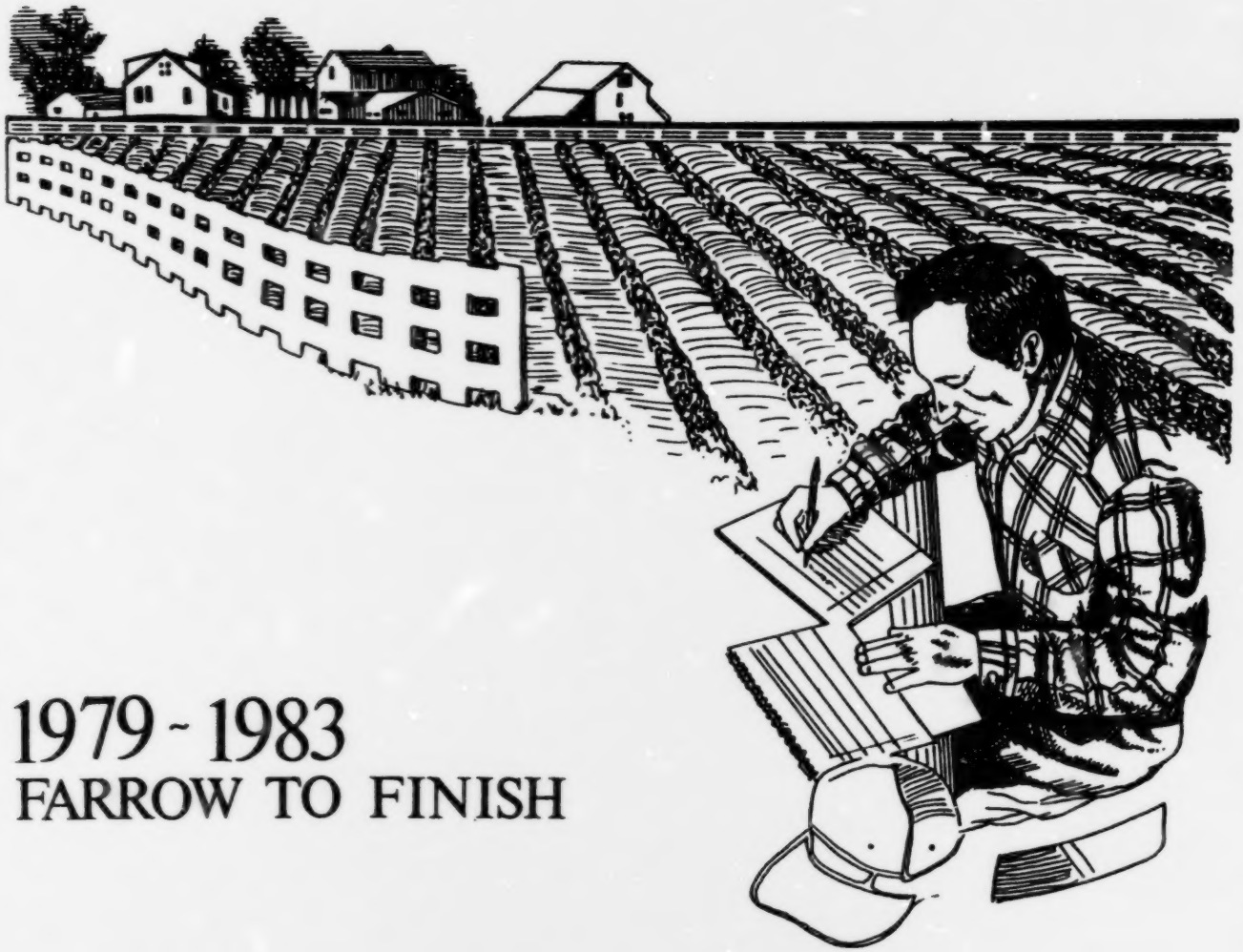
Swine Farms
Five Year Summary



1979 - 1983
FARROW TO FINISH

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NOVA SCOTIA SWINE FARM

FARROW TO FINISH

BUSINESS SUMMARY REPORT

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INTRODUCTION

This report provides a summary of the business performance of Nova Scotia Swine Farms over a five (5) year period, 1979-1983 inclusive. Data used in the preparation of this summary was obtained from the Nova Scotia Swine Farm Business Summaries prepared in each of the five years included in this report.

As noted in the Swine Farm Business Summaries, the farms used were not selected on a random sample basis, but rather volunteered their information. Hence, care should be exercised in the interpretation and use of the results shown in the summary.

The main purpose of this summary is to provide basic information on the Swine Industry, at the farm level, in Nova Scotia over a five (5) year period. Trends in incomes, costs, net returns, efficiency and management factors are outlined.

We gratefully acknowledge the co-operation of the swine producers who business information has been used to prepare this summary. We further acknowledge the work of Pam Crossman who prepared the data for this summary, and Tracey Mitchell for the secretarial work.

SEPTEMBER 1984

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SECTION A

SUMMARY

SUMMARY

This report provides information on trends that have occured at the farm level in the Swine Industry over the five (5) year period, 1979-1983 inclusive. As noted earlier, the farms used to provide the basic data were not selected on a random sample basis. However, even with this noted limitation, the information contained in this summary can be used with care to provide useful trend data regarding the Swine Industry in Nova Scotia.

The material is presented in the following manner - a brief summary, financial ratios, management facotrs, and cost and return data on a per farm and per sow basis.

In reviewing information contained in Table A-1, a number of observations can be made. Gross Farm Income has increased in each of the five years, with an overall increase of 53 percent over the five year period. At the same time, costs have increased 63 percent over this period. However, Net Farm Income has not followed the same trend, we note much greater variability in Net Farm Income on a year to year basis.

Production per sow has shown a slight increase over the five years. The number of pigs weaned per litter has increased by 5 percent, and the number of litters per sow has remained fairly constant. The number of sows kept per man equivalent has decreased slightly.

In terms of prices received per market hog, this figure has also changed several times over the period. Returns received per market hog increased until in 1983, hog prices dropped. It should also be noted, that as the returns decreased, costs still are rising.

The largest individual component of cost in producing pork, is purchased feed. During the period from 1980 to 1983, the cost of feed rose by 8 percent - from $69.21 in 1980 to $74.51 in 1983. The cost of feed decreased in 1983 as opposed to the increasing trend which it had been following until 1982.

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TABLE A-1: SUMMARY

ITEM	1979	1980	1981	1982	1983
Gross Farm Income	180,193	190,848	258,537	272,828	275,222
Total Farm Expenses	169,124	189,580	250,805	247,765	274,974
Net Farm Income	11,069	1,268	7,732	25,063	248
Total Lbs. of Pork Prod. (L.W.)	299,767*	326,827	374,279	360,305	401,509
Ave. Cost of Prod. (L.W.) ($)	.56	.62	.66	.65	.63
Ave. Cost of Prod. (D.W.) ($)	.72	.79	.84	.83	.81
Sows/Man Eguivalent	48	50	44	44	43
Live Hog Prod./Man (Kgs)	61,655	65,157	59,485	59,125	60,393
# of Sows/Farm	105	113	125	123	131
# of Litters/Sow	2.09	1.99	2.05	2.06	2.10
Pigs Weaned/Litter	8.08	8.30	8.39	8.52	8.52
Market Hog Equiv. Prod.	1,400	1,536	1,769	1,703	1,867
Total Hogs Sold	1,590	1,596	2,021	1,993	2,154
Feeder Hog Mortality (%)	4.50	9.60	4.07	2.49	4.29
Ave. Wt./Market Hog (D.W.) (lbs)	167	166	165	165	168
Ave. Return/Market Hog ($)	112.04	103.69	119.66	141.68	124.13
Total Feed/Hog (Kgs)	269.27	283.23	278.06	283.78	284.00
Cost Feed/Hog ($)	N/A	69.21	75.72	78.20	74.51
Feed Conversion - Starter & Grower	2.81	2.89	2.88	2.92	2.88
Feed per Sow & Boar (Kgs)	1,011	963	976	1,002	982
Total Feed/Hog (Inc. Sow & Boar)	N/A	N/A	N/A	N/A	356.48
Cost Feed/Hog (Inc. Sow & Boar)	N/A	N/A	N/A	N/A	93.80

* Figure has been adjusted from dressed weight to live weight.

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SECTION B

PER FARM ANALYSIS

INCOME

Total Farm Receipts increased from an average of $180,193. in 1979 to $275,222. in 1983 - an increase of 53 percent. Although Total Farm Receipts increased steadily, it should be noted that in 1983 Receipts from the sale of hogs decreased by 4 percent from the previous year.

Income from the sale of hogs accounted for 91 percent of Total Farm Receipts.

TABLE B-1: INCOME

ITEM	1979	1980	1981	1982	1983
Market Hogs	$151,601	$146,689	$204,136	$236,407	$220,592
Weanlings	5,149	2,736	9,733	10,764	12,490
Gilts - Breeding Stock	7,495	5,153	3,223	5,638	7,489
Boars - Breeding Stock	1,198	1,331	793	763	1,348
Cull Sows	6,092	5,262	6,707	6,558	6,906
Cull Boars	146	170	378	522	516
Other Hogs	419	285	611	833	1,074
TOTAL HOG SALES	$172,101	$161,626	$225,581	$261,485	$250,415
Stabilization	$ 3,824	$ 22,823	$ 10,643	$ 3,146	$ 8,694
Subsidies	2,046	2,144	13,745	2,083	2,511
Other Income	2,222	4,255	8,569	6,114	13,602
TOTAL FARM RECEIPTS	$180,193	$190,848	$258,537	$272,828	$275,222

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EXPENSES

Expenses on a per farm basis increased from an average of $158,179. in 1979 to $249,651. in 1983. This represents a change of 58 percent in Cash Expenses. Purchased feed, the largest single cost item accounts for 72 percent. This figure has remained relatively constant for the past five (5) years.

TABLE B-2: EXPENSES

ITEM	1979	1980	1981	1982	1983
Feed Purchased	$114,095	$135,314	$162,657	$159,344	$177,049
Hogs Purchased	3,686	3,478	5,113	4,816	3,431
Hired Labor	12,408	13,357	16,961	17,649	20,214
Bedding	516	423	400	328	518
Vet & Drugs	1,630	1,491	1,775	1,833	2,303
Hog Supplies	1,205	1,095	1,292	1,283	1,263
Marketing Costs	2,886	2,805	3,117	3,211	3,337
Utilities	5,310	5,400	6,808	7,091	8,332
Taxes	800	770	1,122	1,236	1,246
Insurance	1,818	1,582	1,895	2,180	2,572
Building Repairs	2,550	2,154	3,223	4,051	4,785
Mach. & Equip. Exp.	2,111	3,220	3,451	3,323	5,128
Auto Expenses	2,004	1,725	1,914	3,175	1,334
Interest - Operating	3,498	6,561	10,971	8,591	7,373
Miscellaneous	3,662	3,729	6,402	5,179	1,841
Other Non-Hog Expenses	N/A	N/A	N/A	N/A	8,925
TOTAL CURRENT FARM EXPENSES	$158,179	$183,104	$227,101	$223,290	$249,651

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INCOME SUMMARY

In reviewing different measures of income over the five (5) year period, it can be noted the fluctuating income levels in both the Net Cash Income and the Net Farm Income. Net Cash Income decreased from $22,014. in 1979 to $7,744. in 1980 - a decrease of 65 percent. Following the decrease in 1980, Net Cash Income began to rise again until 1983 when it dropped by 48 percent compared to 1982. Net Farm Income followed a similar pattern, when in 1980 it decreased by 88 percent and in 1983, took a severe drop of 99 percent.

TABLE B-3: INCOME SUMMARY

ITEM	1979	1980	1981	1982	1983
Total Farm Receipts	$180,193	$190,848	$258,537	$272,828	$275,222
Total Cash Expenses	158,179	183,104	227,101	223,290	249,651
NET CASH INCOME	$ 22,014	$ 7,744	$ 31,436	$ 49,538	$ 25,571
Plus: Inventory Change	$ 8,453	$ 18,492	$ 4,883	$ 9,581	$ 4,836
Less: Depreciation	12,913	16,462	18,023	18,027	18,168
Interest on Capital Loans	6,485	8,506	10,564	16,029	11,991
NET FARM INCOME	$ 11,069	$ 1,268	$ 7,732	$ 25,063	$ 248

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SECTION C

PER SOW ANALYSIS

INCOME

When figures are calculated on a per sow basis, Total Farm Receipts have increased by 24 percent over the five year period - from $1,706. in 1979 to $2,107. in 1983. It should be noted, an increasing trend until 1983 when receipts dropped from the previous year by 5 percent per sow.

TABLE C-1: INCOME

ITEM	1979	1980	1981	1982	1983
Market Hogs	$1,436	$1,347	$1,632	$1,925	$1,688
Weanlings	49	11	78	88	96
Gilts - Breeding Stock	71	28	26	46	57
Boars - Breeding Stock	11	-	6	6	10
Cull Sows	58	37	54	53	53
Cull Boars	1	2	3	4	5
Other Hogs	4	6	5	7	8
TOTAL HOG SALES	$1,706	$1,431	$1,804	$2,129	$1,917
Stabilization	$ 36	$ 198	$ 85	$ 26	$ 67
Subsidies	19	31	110	17	19
Other Income	21	28	69	50	104
TOTAL FARM RECEIPTS	$1,706	$1,688	$2,067	$2,222	$2,107

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EXPENSES

Over the five (5) year period, Cash Expenses have increased from $1,498. per sow in 1979 to $1,911. in 1983 - a change of $413. per sow or some 28 percent.

TABLE C-2: EXPENSES

ITEM	1979	1980	1981	1982	1983
Feed Purchased	$1,081	$1,261	$1,301	$1,297	$1,355
Swine Purchased	118	29	41	39	26
Hired Labor	35	44	136	144	155
Bedding	5	4	3	3	4
Vet & Drugs	15	17	14	15	18
Hog Supplies	11	8	10	10	10
Marketing Costs	27	33	25	26	26
Utilities	50	52	54	58	64
Taxes	8	8	9	10	10
Insurance	17	14	15	18	20
Building Repairs	24	15	26	33	37
Mach. & Equip. Expense	20	34	28	27	39
Auto Expense	19	16	15	26	10
Interest - Operating	33	55	88	70	56
Miscellaneous	35	26	51	42	14
Other Non-Hog Expense	N/A	N/A	N/A	N/A	67
TOTAL CASH EXPENSES	$1,498	$1,616	$1,816	$1,818	$1,911

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INCOME SUMMARY

During the five (5) year period, Net Cash Income per Sow has decreased by $12. or by 6 percent over the entire period. In 1980, Net Cash Income declined and in 1981 and 1982 came back, but decreased again in 1983.

Net Farm Income followed a similar trend and decreased by $103. per sow between 1979 and 1983. It can be noted that the Net Farm Income dropped in 1980 by $94., but showed an increase in 1981 and 1982, only to fall again in 1983.

TABLE C-3: INCOME SUMMARY

ITEM	1979	1980	1981	1982	1983
Total Farm Receipts	$1,708	$1,689	$2,067	$2,222	$2,107
Total Cash Expenses	1,498	1,621	1,816	1,818	1,911
NET CASH INCOME	$ 208	$ 69	$ 251	$ 404	$ 196
Plus: Inventory Change	$ 80	$ 164	$ 39	$ 78	$ 37
Less: Depreciation	122	146	144	147	139
Interest on Capital Loans	61	75	84	130	92
NET FARM INCOME	$ 105	$ 11	$ 62	$ 205	$ 2